



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: April 13, 2022

AGENDA ITEM: Consider a motion to ratify the procurement contract with Government Finance Officers Association (GFOA) for Enterprise Resource Planning (ERP) Advisory Services for \$20,000.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Expense background:

This procurement is for unbudgeted operations expense in the amount of \$20,000. General Manager, Julie Kennedy, approved a request for exploration of the concept of a joint RFP with the City late in 2021 after the 2022 budget was prepared. Business Services Manager, Jean Lane, will work with GRPU managers to find the \$20,000 in the 2022 adopted GRPU operations budget.

The GRPU Procurement Policy was followed and two quotes are on file for this requested professional services.

Software background:

GRPU currently uses Great Plains (GP) Dynamics for accounting software and Cogsdale for customer service management, construction management, and work management (service orders) which integrate into GP Dynamics. GRPU has used these software for the past decade and though they are operational, many features of the programs are very “clunky”. GRPU team members have found workarounds, often times outside of the software in other products such as MS Excel, to complete their work. Using separate programs then “disconnects” the continuity of tracking any given cost, asset, work order, or other item through the various processes.

In October 2021, the GRPU accounting team and the City of Grand Rapids Finance team met to share information, discuss how to work better together, ideas for joint projects, consideration of process improvements and streamline functions. The City indicated they their current software was quite old and did not perform some generally accepted industry standard functionality. The teams discussed modern Enterprise Resource Planning (ERP) software that integrates multiple

business functions into one system such as accounting, human resources, project management, inventory, customer services, payroll, utility billing to name a few. There are common business functions which are necessary to perform by both City and GRPU (i.e. accounts payable, payroll, general ledger, fixed assets). There are also some business functions which only the utility would perform, such as, customer account information and utility billing. Both the City and GRPU need to integrate the ERP to GIS, preventative maintenance and construction management.

Cost effectiveness was discussed and it was agreed to have the City and GRPU develop a joint request for proposal (RFP) to explore available ERP systems since both teams are seeking new systems in the near future. City Finance Director, Barb Baird, and Jean Lane solicited two quotes for professional services to assist with the RFP. Baker Tilly quoted \$41,000 for the three phases of project (1) planning/management, (2) process/system analysis, and (3) RFP development. The Government Finance Officers Association (GFOA) quoted \$40,000 including travel for the same three phases/tasks. Both quotes also provided services and pricing for the final two phases of vendor selection and contract negotiations which are not included in the scope of this contract.

Barb and Jean agreed the GFOA was the best proposal with the greatest knowledge of governmental entities and experiences and a high degree of independence from software vendors. There is not insurance requirements in the contract, yet Jean Lane is confirming the GFOA has standard insurance coverage. The total cost of the advisory services is \$40,000 for tasks/deliverables 1 to 3 (listed above) which the cost would be split 50%/50% between the City and GRPU. Barb intends to present to the City Council at the Monday, April 11 meeting.

If the RFP advisory services are approved, the project would start in May and the RFP would be developed in July/August. This schedule allows both GRPU and the City to have approximate ERP system costs for preparation of the 2023 budgets.

RECOMMENDATION:

Consider a motion to ratify the procurement contract with Government Finance Officers Association (GFOA) for Enterprise Resource Planning (ERP) Advisory Services for \$20,000.